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Testimony of Andrew C. Glassman
Connecticut Bar Association
Chair, Business Law Section, Corporations Subcommittee

In SUPPORT of
HB 6640, "An Act Amending the Connecticut Business Corporation Act"

Judiciary Committee
April 1, 2013

Senator Coleman, Representative Fox and members of the Judiciary Committee:

Thank you for the opportunity to appear before the Committee today.

My name is Andrew Glassman, I am an attorney with the firm of Pullman & Comley in Hartford, practicing in the areas of business and corporate law. I am testifying today as chair of the Corporations Subcommittee of the Business Law Section of the Connecticut Bar Association (CBA). The Business Law Section includes over 600 Connecticut attorneys interested in business and corporate law issues.

The CBA Business Law Section supports H. B. 6640, An Act Amending the Business Corporation Act (CBCA) which reflects recent changes to the Model Business Corporations Act (MBCA). On behalf of the Connecticut Bar Association Business Law Section, we wish to thank the Committee for raising this important technical bill for Connecticut businesses.

The proposed HB 6640 would amend the CBCA in the following manner:

- The bill amends Conn. Gen. Stat. Section 33-706(g) to more clearly establish when the terms of an irrevocable proxy are binding on a transferee for value. The amendment specifically establishes that unless otherwise provided in the appointment of the irrevocable proxy, such proxy does not terminate upon transfer of the underlying shares. It should be noted that this amendment does nothing to change the exceptions to the effectiveness of an irrevocable proxy. The amendment only seeks to eliminate an ambiguity in the statute as currently written.
- The bill amends Conn. Gen. Stat. Sec. 33-776 to modify the indemnification provisions applicable to officers, employees and agents of a corporation to conform to the MBCA by establishing the limits of indemnification for officers and by deleting any references to indemnification of employees and agents. This would allow any indemnification arrangements for employees and agents to be addressed by general common law principles of agency and by contract.

This proposed bill is important as part of an ongoing process of updating Connecticut's corporation statutes and to keep Connecticut law current with the MBCA.

The Business Law Section of the CBA thanks the committee in its efforts to assist us in updating the CBCA with those changes made in the MBCA.